

Minerals Management Service, Interior

§ 203.85

Officer, Minerals Management Service, Mail Stop 4230, 1849 C Street, NW., Washington, DC 20240; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for the Department of the Interior (1010-0071), Washington, DC 20503.

§ 203.83 What is in an administrative information report?

This report identifies the field or lease for which royalty relief is requested and must contain the following items:

- (a) The field or lease name;
- (b) The serial number of leases we have assigned to the field, names of the lease title holders of record, the lease operators, and whether any lease is part of a unit;
- (c) Lessee's designation, the API number and location of each well that has been drilled on the field or lease or project (not required for non-oil and gas leases);
- (d) The location of any new wells proposed under the terms of the application (not required for non-oil and gas leases);
- (e) A description of field or lease history;
- (f) Full information as to whether you will pay royalties or a share of production to anyone other than the United States, the amount you will pay, and how much you will reduce this payment if we grant relief;
- (g) The type of royalty relief you are requesting;
- (h) Confirmation that we approved a DOCD or supplemental DOCD (Deep Water expansion project applications only); and
- (i) A narrative description of the development activities associated with the proposed capital investments and an explanation of proposed timing of the activities and the effect on production (Deep Water applications only).

§ 203.84 What is in a net revenue and relief justification report?

This report presents cash flow data for 12 qualifying months, using the format specified in the "Guidelines for the Application, Review, Approval, and Administration of Royalty Relief for End-of-Life Leases", U.S. Department

of the Interior, MMS. Qualifying months for an oil and gas lease are the most recent 12 months out of the last 15 months that you produced at least 100 BOE per day on average. Qualifying months for other than oil and gas leases are the most recent 12 of the last 15 months having some production.

(a) The cash flow table you submit must include historical data for:

- (1) Lease production subject to royalty;
- (2) Total revenues;
- (3) Royalty payments out of production;
- (4) Total allowable costs; and
- (5) Transportation and processing costs.

(b) Do not include in your cash flow table the non-allowable costs listed at 30 CFR 220.013 or:

- (1) OCS rental payments on the lease(s) in the application;
 - (2) Damages and losses;
 - (3) Taxes;
 - (4) Any costs associated with exploratory activities;
 - (5) Civil or criminal fines or penalties;
 - (6) Fees for your royalty relief application; and
 - (7) Costs associated with existing obligations (e.g., royalty overrides or other forms of payment for acquiring the lease, depreciation on previously acquired equipment or facilities).
- (c) We may, in reviewing and evaluating your application, disallow costs when you have not shown they are necessary to operate the lease, or if they are inconsistent with end-of-life operations.

[63 FR 2618, Jan. 16, 1998, as amended at 63 FR 57249, Oct. 27, 1998]

§ 203.85 What is in an economic viability and relief justification report?

This report should show that your project appears economic without royalties and sunk costs using the RSVP model we provide. The format of the report and the assumptions and parameters we specify are found in the "Guidelines for the Application, Review, Approval and Administration of the Deep Water Royalty Relief Program," U.S. Department of the Interior, MMS. Clearly justify each parameter you set in every scenario you